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Remarks
 Prepared for
 Secretary of Agriculture Mike Espy
 to the U.S. Feed Grains Council
 Washington, DC
 February 8, 1993

Thank you, Charles [Charles Ottem, chairman of Council] for the introduction and for the invitation to your 33rd membership meeting.

I don't know how many of you are aware of this, but Charles sent me the invitation to speak to you back on December 14 while I was still a member of Congress. Now this was well before then-President-elect Clinton announced my nomination.

So, if any of you saw the original program and were expecting a congressman representing the Mississippi Delta, I hope I haven't disappointed you. And, Charles was most gracious -- even after my nomination and confirmation, he assured me that I would be welcome on your program. So, let me say that I'm doubly grateful and very pleased to be here this morning. (By the way, Charles, if you have any other premonitions, I would certainly like to hear them.)

It is appropriate, I think, that one of my first speaking engagements as Secretary is to address the U.S. Feed Grains Council, one of the largest and oldest of our market development cooperators. I look forward to a long and productive relationship.

You know, I've read in the press that, since this Secretary comes from Mississippi, the grains groups will have to "educate" me on Midwestern grains issues. Well, I did serve more than 6 years on the House Agriculture Committee, so -- though I may have a lot to learn -- the fact is that I already know something about Midwestern agriculture. I understand and share a great many of the concerns you have about feed grain markets and issues.

And, just for the record -- for the press people here -- I also want to point out that Mississippi farmers produce a lot more than just cotton and catfish. In fact, Mississippi even produces some corn and sorghum.

This past year, Mississippi farmers harvested 27 million bushels of corn for grain. I know 27 million bushels doesn't amount to much against a record 9.5-billion-bushel U.S. corn crop, but let me tell you this: 24 states ranked below Mississippi in corn production. So, Mississippi was right there in the middle.

But, of course, I am here not to talk about Mississippi agriculture, nor have I come just to talk. I hope to meet some new faces...and to listen and learn. I want to hear from you, to hear more about your concerns and the issues on your mind. I'm a good listener and fast learner, and I intend to be an effective spokesman for U.S. agriculture in all its diversity.

Array of Challenges Facing Agriculture

As we meet today, this nation faces a broad array of formidable challenges, both here at home and abroad. The Clinton Administration will move rapidly to meet these challenges. It will be part of my job to ensure that the interests and needs of agriculture and our rural communities are well represented in domestic policy and foreign policy decisions, as they directly or indirectly affect this vital industry.

On the domestic side, for example, this nation faces a huge budget deficit that, in everyone's interest, must be brought under control. This will require some tough decisions all around, but I do not want to see further cuts in commodity programs that would leave us in a weaker position relative to our competitors or that -- judging from past cuts -- may fail to show any real budget impacts.

Within the Agriculture Department itself, I think we can achieve some efficiencies and savings through reorganization from the top down, beginning in Washington. But I want to assure you that top priority of my reorganization plan will be to restructure the Department to better meet the current and future needs of those we serve. I intend to modernize the Department so that it can more effectively perform its broad responsibilities.

These responsibilities present us with a number of major challenges -- among these, expanding trade and other marketing opportunities for U.S. commodities, maintaining farm income, promoting rural development, protecting our natural resources, and meeting the nation's diverse food needs with safe, affordable products. We will have to meet the challenges on all fronts.

Because this Council's activities are geared mainly toward exports and the international marketplace, I will focus my remarks today on the trade policy agenda. I want to let you know, briefly, where I stand and tell you something about the Administration's priorities in this area.

International Trade and Export Expansion

First, as I stated in my confirmation hearings, I am a strong proponent of international trade. With the help of groups like the Feed Grains Council, I plan to aggressively seek out new international markets. I am optimistic about world market opportunities for U.S. products -- and not just high-value products but also our traditional bulk commodities such as feed grains, where the United States has a significant comparative advantage.

I want to work with people who share that optimism and commitment, and I commend the foreign marketing efforts of this Council's membership -- efforts we will continue to support. We will work with you to maintain important markets and to develop new markets.

In particular, I want to note that this Administration places top priority on resolving the purchasing problems of Russia and Ukraine, so that we can resume shipments to these important customers. Over the last 5 years, the former Soviet Union has accounted for about 20 percent of U.S. grain exports, and it is not a market we want to lose.

Although we are still moving U.S. commodities to the region through food and feed assistance efforts, and through third-country cash buyers, we need a longer term solution to help U.S. agriculture and agribusiness continue to play a positive role in the ongoing changes in this region.

Beyond the financial problems in the former Soviet Union, some of the major constraints in feed grains trade are the result of protectionist trade barriers and self-sufficiency policies in potential markets. We will move forcefully to convince them to change these policies, using the clout of the U.S. marketplace and other tools at our disposal.

This Administration will insist that our trading partners and competitors comply with trading rules that are fair and equitable. You have already seen some tough actions on steel imports and other areas from U.S. Trade Representative Mickey Kantor...and you can expect more such decisions. The door to trade must swing both ways, or we will tighten the hinges.

In Congress, I supported the USDA export programs -- the Credit Guarantee programs, the Export Enhancement Program (EEP), the Market Promotion Program (MPP), and the Market Development Cooperator Program. Along with food aid, these programs have accounted for more than 20 percent of all U.S. agricultural exports in the early 1990's.

I continue to believe that such tools remain necessary to ensure that U.S. farmers can compete on a fair and equitable basis with the European Community (EC) and others who subsidize their exports. This year, for example, I intend to use all the mechanisms at my disposal to help U.S. farmers find markets for their huge corn crop. And I pledge to work hard to increase the effectiveness of our export programs in combating unfair trade and building new markets.

We will pursue trade reform and free-trade initiatives because of the potential opportunities they present. But the first and last consideration must always be fairness.

This means fairness and equity with respect to the policies of our trading partners and competitors. It means fairness with respect to various sectors of the U.S. economy and the different sectors within agriculture. And it also means that we must strive to maintain fairness and balance among various national priorities, including environmental priorities, American jobs, and the interests of consumers -- important priorities we all share as one nation, one society.

While we recognize that tradeoffs are part of any policy decision or trade agreement, we reject the idea of formulating policy based solely on net benefits, without any consideration for those who might bear the costs.

To me, this bottom-line averaging is like forcing 200 people into a swimming pool that is 8 feet deep at one end and shallow at the other. It may be true that the average depth is only 4 feet, but the folks stuck at the deep end have to swim for their lives.

This Administration does not intend to pit one sector or interest against another.

Achieving a Fair GATT Agreement

Having said this, let me direct my remarks now to two specific agricultural trade policy initiatives I know you have a strong interest in -- the GATT Uruguay Round trade negotiations and the proposed North American Free Trade Agreement (NAFTA).

The Uruguay Round is more than 6 years old, and a number of issues in agriculture and other areas remain unresolved. President Clinton supports this effort, but he has also made it clear that he will insist on a fair and equitable agreement.

The U.S.-EC agreement on export subsidies and internal support was an important step toward completing an agreement that potentially can yield some significant benefits for U.S. agriculture, including increased exports and higher farm prices for U.S. corn and other feed grains. But we want to make sure this is an agreement we can live with for many years to come -- an agreement that achieves what it promises.

I know we have some friends in Europe and Japan who maybe think that the Americans are so eager for a final agreement that -- as the story goes -- we would sign a leaf if it floated onto our desk.

Well, if EC officials think that the previous U.S. negotiators were tough...if they think that they still have a number of concerns that must be resolved to their satisfaction...if they thought they could just wait for a better deal from this Administration, then they are in for a surprise.

We, too, have a number of concerns. We are concerned, for example, that the agreement as it now stands falls short of agricultural trade reform. We are concerned about unresolved issues, including fairness and equity in market access. I know the livelihood of U.S. farmers is at stake. If negotiations must be resumed, I plan to be at the table to make sure that any agreement is a good agreement for U.S. agriculture, and I expect to have the support of President Clinton and Ambassador Kantor.

As you know, the deadline is fast approaching on the current fast-track negotiating authority granted by Congress. The authority expires June 1, but we would need to complete an agreement by March 2 in order to meet the requirement for advance notice to Congress. After that, a decision would have to be made on whether to ask Congress to renew the authority so that we could resume the negotiations.

I will be very pleased if we can finish by the deadline. I hope we can...we will try...but it does not appear very likely at the moment. Later this week, Ambassador Kantor will be meeting with the new EC trade commissioner, Sir

Leon Brittan, to discuss the status of the negotiations and U.S.-EC differences. We may get a better indication then.

If we can get an agreement by the deadline that is fair and comprehensive - one that requires others to open their agricultural markets and reduce their export subsidies on an equitable basis -- then I will support it and recommend it to the President. But, we are not going to be pushed into an agreement to meet a deadline.

One final point on GATT. Until we get an agreement, it would be a serious mistake, in my judgment, to weaken our export programs. I want to be very clear about this. When it comes to matters of the budget or whatever, any decisions on U.S. programs must be made with full consideration of the need to maintain U.S. strength in subsidized international markets and at the negotiating table.

Support for the Proposed NAFTA

Let me now turn briefly to the proposed North American Free Trade Agreement. President Clinton has given his support to the NAFTA, and in January, as President-elect, he met with President Salinas of Mexico and pledged to work for passage by Congress.

Overall, I think it is a good agreement for U.S. agriculture, with significant long-term benefits for U.S. feed grains, wheat, cotton, beef, and several other commodity sectors as Mexican demand expands and trade barriers are eliminated.

However, I share the President's concerns about import surges, as well as labor and environmental issues, that are not adequately addressed in the agreement. We want to make sure that these basic issues are dealt with in conjunction with the NAFTA, possibly through parallel agreements with Mexico.

At the same time, I intend to talk to some U.S. farm groups that are concerned that their commodities would be hurt by the NAFTA. I want to see whether it is possible to address reasonable concerns, and how we might go about doing that.

We are planning to move ahead on these issues and to work with the Congress to develop the implementing legislation that is needed before lawmakers can vote on NAFTA. On Friday, the President met with Canadian Prime Minister Mulroney, and one of the issues discussed was the NAFTA. I might add that on January 29, a bit over a week ago, the United States joined Mexico and Canada in submitting formal notification to the GATT that the three parties had signed the NAFTA, and that the parties plan to proceed toward ratification.

Working Together To Develop Export Market Opportunities

U.S. agricultural exports topped \$42 billion last year (fiscal 1992), and exports for the first two months of 1993 reached \$8 billion, up 8 percent from those same two months last year. However, I might also note that we have to go all the way back to 1981 to find the U.S. agricultural export record, which still stands at the \$43.8 billion set 12 years ago.

I am not satisfied with this kind of performance, and I hope you aren't either. With cooperation, hard work, and a commitment to export expansion, I believe we can do better.

For my part, I pledge to work aggressively to change those policies in other countries that are responsible for many of the disappointments you may have about the past performance of feed grain and other commodity exports. We intend to seek out new markets and to demand fair and equitable market access opportunities.

As I noted earlier, I will speak up forcefully when foreign policy decisions are being considered that may affect future market opportunities

(such as decision on China's MFN status). I want to ensure that agriculture has its say -- that its interests are carefully weighed before any decision is made.

As Secretary of Agriculture, I will be right there fighting for the interests of U.S. agriculture, and I ask for your help. I am confident we can work together to create new opportunities in domestic and foreign markets... strengthen our rural communities...and build on the enormous strength, diversity, and competitiveness of U.S. agriculture.

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Release No. 0121.93

Statement
by
MIKE ESPY
SECRETARY OF AGRICULTURE
February 11, 1993

"BUILDING A TEAM USDA DEDICATED TO CHANGE"

Good afternoon. Ever since my first day on this new job, I wanted to meet with the members of the press who cover this Department for a living. I wanted to meet with all of you informally, and take my time to get to know all of you personally, and let you know that I would be accessible and open. That was my game plan to ease into this new job along with you. A nice, slow beginning

Well, you know that didn't happen. An unfortunate crisis was dropped in my lap the day I was sworn in. I'm extremely pleased that President Clinton will ask, as a part of his economic stimulus package, to give USDA an extra \$4 million to hire an additional 160 federal meat and poultry inspectors. But now that I have dealt with the emergency situation in Washington State, and have made my recommendations about how we can begin to re-design our meat inspection system, I want to take a few minutes with you today to step back and look at the big picture. I want to give you an idea of exactly what President Clinton and I have in mind when we say we want to give this government back to the people.

When President Clinton and his Administration talk about change, we want the American people to know that we offer more than the empty rhetoric of politics as usual. We want the American people to know that we are serious about introducing concrete, specific proposals to fundamentally overhaul the way government does business.

It wasn't easy for President Clinton to announce a 25% cut in the White House staff, thereby reducing the number of jobs and the salaries of the jobs for some of his longest and most trusted supporters and advisers. The pundits said Bill Clinton couldn't, or wouldn't do it -- but he did it. And now they say we can't reform USDA -- but we will.

I don't think there is a Department in this entire government in more dire need of being reinvented than USDA.

So today I will begin the process of announcing major changes in USDA, some of which will be important for the symbolism involved and some of which will be important for their policy implications. Today I will begin the process of building what I call "Team USDA" -- a partnership between USDA's new political

leaders, its career employees, and the public it serves. This new partnership will be dedicated to working together for massive, yet constructive, change.

The American people are sick and tired of leaders who place personal comfort above public service. Our predecessors in the last administration -- despite their anti-government rhetoric -- allowed their senior level officials to enjoy the comforts of executive dining rooms in 10 of the 14 cabinet agencies. These executive dining rooms cost American taxpayers in excess of \$4 million per year.

Many of my cabinet colleagues have eliminated their executive dining rooms. However, USDA never had an executive dining room, per se. We had a room upstairs that served the same exact food as the cafeteria downstairs, but had waiter and waitress service, and a few nice tablecloths. All employees of the department were eligible to use this dining room when it was not reserved by senior officials. However, one single table was reserved exclusively for the Secretary.

Well, now even that one single table is no longer reserved. As of yesterday, I asked for both my name and the "reserved" sign to be removed from that table. We will continue to use that room for working lunches. But all employees of the United States Department of Agriculture -- and all visitors to the United States Department of Agriculture -- will be welcome to use this room.

It has also come to my attention that many employees of this Department have come to feel that they are not welcome on the second floor of this building -- the floor that houses my and other high-ranking USDA offices. I want that perception to change this very second. I want all USDA employees to know that I -- and all my personal staff and all the President's appointments here -- will have an open door policy. If you want to meet with us -- meet with us. If you have something to say to us -- say it. If you just want to wish us a good morning -- do so.

Now, if in the past, even employees of USDA didn't feel they could give me their opinions, we can only imagine how far removed the general public is from this Department. For far too long, this Department has been perceived as remote from the everyday problems of everyday people. That's why I am extending my open door policy to all Americans. I want to meet with a wider range of consumer, farmer, of nutrition, and rural development groups than has any Secretary of Agriculture in the entire history of this Department.

People who can't meet me personally should send me their opinions--typed, handwritten, or crayoned -- faxed, mailed, or carrier-pigeoned -- however they feel they can best send me the message. And I will get the message.

My last point is that I am deadly serious about comprehensively re-organizing this Department. I mean it when I say that we will get our house in Washington in order before we ask folks across America to suffer by closing field offices.

I mean it when I say that we must lead by example. One of the most visible parts of the Department of Agriculture is our Office of Public Affairs, so I intend to reform that office first.

The new USDA will replace the old, bureaucratic, duplicative Office of Public Affairs and agency public affairs offices with one, new streamlined and efficient Office of Communications.

USDA currently has about 1,000 public affairs/information positions, including support personnel, spread throughout all our agencies and spread throughout the country. Annual salary costs are estimated at over \$40 million. About 450 of these employees are located at headquarters in Washington, D.C.,

area, scattered in at least 25 different offices. The rest are stationed at regional, state and national forest offices.

Yet only 156 of these personnel report directly to USDA's centralized, department-wide, Office of Public Affairs. Most work directly for individual agencies that have their own public affairs staffs. Many agencies even have their own public liaison, intergovernmental relations, design, and photography staffs. This shall not continue. I intend to create one USDA, with all agencies working together as a team to deliver one central message of reform.

I intend to dramatically reform this system in Washington, by eliminating all of the individual agencies public affairs staffers and either place those employees under the centralized Office of Public Affairs or transfer them to non-public affairs related work. Additionally, where possible, I will merge all public information functions in the field.

We want to eliminate duplication, and find economies of scale. Agencies don't need their own graphic designers or photographers or press spokespeople. Our departmental Office of Public Affairs is now perfectly equipped to handle all those functions.

The bottom line is that the Department of Agriculture does not need 1,000 staffers assigned to telling the public what a great job we are doing. Instead, we need more employees assigned to providing direct services to our citizens.

We should be about serving the public -- not about promoting ourselves. I want all the public affairs employees of USDA to fully understand that my decision is no reflection whatsoever on the fine work so many of them have performed for so long, for so little pay, for so infrequent recognition, and with so much stress. We honor your commitment to public service and we will reward that commitment.

Still, we need to send the message out to the America that the only way for our Department to improve its public image is to provide better services to the public. That is why I believe it is important that many public affairs employees be assigned to other functions serving the public.

Additionally, we will be eliminating an extra layer of bureaucracy that exist in the Department's Office of Public Affairs itself, thereby allowing division chiefs to report directly to the new USDA Director of Communications and to his or her Deputy Directors.

The Deputy Director for Press will oversee press services, radio and television services, and will coordinate -- through a desk system -- the public activities of all the agencies. A Deputy Director for Public Affairs will oversee such information services as design, photography, publishing, printing, video production and teleconferencing, and public and intergovernmental liaison.

The functions of public liaison and intergovernmental relations will be merged, but then divided by subject area. We will now have one office of Farming Outreach, dealing with governments and interests groups on issues relating to farming, agricultural marketing, and rural development. We will have another Office of Consumer Outreach, dealing with issues such as nutrition and consumer protection.

These new public outreach offices won't sit back and wait to be contacted by the public. They will aggressively reach out and touch many "someones" to solicit advice and help from organizations, state and local governments, indian tribes,

and members of the general public. These offices will forcefully bring this government back to its people.

I want to emphasize that these announcements today are the beginning--not the end -- of a process to make this Department farmer friendly, consumer friendly, and just plain citizen friendly. President Clinton has asked all of us in his cabinet to find ways to make our departments more in touch with the people we serve. I am honored to be part of that process.

So in the days immediately ahead, I will consult extensively with Congress and any interested groups before proposing a comprehensive restructuring plan that will affect every single agency and aspect of the Department.

But these changes cannot be accomplished by one Secretary alone, and not even by the full force of a cabinet or a President. Again, these changes can only be accomplished as a partnership between government employees and the public. What we are calling for is nothing short of a new civic compact that calls upon all citizens and government employees alike to join together to work with their government to put this great nation back on track. And that's what my Team USDA concept is all about.

Thank you. I will now take your questions.

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Media Advisory

Release No. 0108.93
John Ryan (202) 720-8207

SWEETENERS YEARBOOK RELEASED

WASHINGTON, Feb. 8--The U.S. Department of Agriculture today released its first issue of the "Sweetener Market Data Yearbook." The 36-page publication--compiled by USDA's Agricultural Stabilization and Conservation Service--reports data on the U.S. sugar industry for fiscal year 1992.

Copies of the yearbook are available from: ASCS, Sweeteners Analysis Division, Room 3727-S, P.O. Box 2415, Washington, D.C. 20013; telephone, (202) 720-3391.

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Release No. 0109.93
Laura Whitaker (202) 690-2796
Phil Villa-Lobos (202) 720-4026

USDA SEEKS COMPANIES FOR AGRIBUSINESS MISSION TO HUNGARY

WASHINGTON, Feb. 8--The U.S. Department of Agriculture is looking for representatives of U.S. agribusiness firms to participate in a May 3-7 agribusiness opportunity mission to Hungary.

USDA's Office of International Cooperation and Development Acting Administrator John A. Miranda said the goals are to identify joint ventures between U.S. and Hungarian entrepreneurs that result in U.S. investment in Hungarian agribusiness, technology transfer and/or licensing arrangements, increase opportunities for trade between the United States and Hungary.

Due to Hungary's accelerated pace for privatization of "state-owned enterprises," potential U.S. investors must act quickly to take advantage of the current investment opportunities in Hungary. Confidence in Hungary is strong

among foreign investors at this time due to the country's history of economic reform over the past two decades, said Miranda.

Through joint ventures and other business linkages with Hungarian companies, American firms would be in a stronger position to gain access to the EC and to compete for the Eastern European and former Soviet markets. In 1991, foreign businesses invested \$3 billion in Hungary--over half of all foreign investment in Eastern Europe. Hungary is also an attractive, albeit small, export market for selected U.S. agricultural products because of its increasing purchasing power for higher priced, high quality food items.

Potential areas of interest identified include pork, broiler, goose, turkey and dairy products processing, fruit and vegetable canning and freezing, fruit juices/concentrates, flour milling, feed manufacturing and seed production.

An investment evaluation mission visited approximately 40 Hungarian companies last December. Profiles of companies are available upon request. USDA is interested in expressions of interest in other areas, and encourages small and medium-sized companies to participate.

This activity is funded by USDA's Foreign Agriculture Service and jointly sponsored by FAS and OICD in concert with Experience, Inc., a U.S. food and agribusiness consulting company. USDA does not charge a registration fee or administrative costs. Participants are responsible for their travel, lodging, and per diem expenses.

U.S. firms interested in participating should call or submit a short letter of intent no later than April 2 stating their specific area of interest along with company information to: Maria Nemeth-Ek, USDA/OICD, Room 3248-S, 14th & Independence Avenue, SW, Washington, D.C. 20250-4300.

For further information, contact Maria Nemeth-Ek by FAX (202) 690-3982, or telephone (202) 690-1983.

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Release No. 0110.93
Bruce Merkle 720-8206
Edwin Moffett 720-4026

FARMERS PLEDGE 111.4 MILLION BUSHEL OF 1992 CROPS AS COLLATERAL FOR CCC LOANS

WASHINGTON, Feb. 8--Producers pledged 111.4 million bushels of 1992-crop corn, grain sorghum, barley, soybeans and wheat as collateral for CCC recourse loans through Dec. 31, 1992, according to Randy Weber, acting executive vice president of the U.S. Department of Agriculture's Commodity Credit Corporation.

Weber said recourse loans traditionally have been available to producers of high moisture feed grains as part of the CCC feed grain price support program and for commodities stored on the ground or in unapproved structures.

In 1992, CCC announced that producers whose 1992-crop grain did not meet minimum quality requirements would be eligible to pledge that grain as collateral for a CCC recourse loan. Grain pledged as collateral for a recourse loan is not eligible for entry into the Farmer-Owned Reserve.

An update of this data will be reported in the weekly loan activity report in late March.

Recourse Loans in Bushels Made Through December 31, 1992

STATE	CORN	GRAIN SORGHUM	BARLEY	SOYBEANS	WHEAT
Alabama	8,231				

Colorado	108,849				
Delaware	53,762				
Illinois	6,540,056				
Indiana	1,118,975				
Iowa	15,065,176	14,804		5,934	
Kansas	602,938	434,323			
Kentucky	19,441				
Maryland	52,766				
Michigan	9,854,226			13,034	
Minnesota	43,297,089				
Missouri	236,285	38,375			
Nebraska	4,486,601	62,313	1,297		37,218 New
Jersey	29,916				
New Mexico		100,784			
New York	2,175,738			3,569	
North Dakota	3,096,683				
Ohio	3,996,731			5,417	1,400
Pennsylvania	770,818				
South Dakota	5,334,923	88,639			
Tennessee	10,065				
Vermont	37,570				
Virginia	153,745				
West Virginia	51,285				
Wisconsin	13,440,749			24,256	
TOTALS:	110,542,618	739,239	1,297	52,210	38,618

A breakdown of corn and grain sorghum recourse loan categories is provided in the following table. Distress loans are loans made on grain stored on the ground or in unapproved structures. Other loans are mainly grains with low test weight.

STATE	CORN LOANS				GRAIN SORGHUM LOANS		
	High Moisture	Distress	Cracked, Rolled, Crimped	Other	High Moisture	Distress	Other
Alabama	8,231						
Colorado			108,849				
Delaware	16,921		36,841				
Illinois	1,882,803		24,332	4,632,921			
Indiana	721,492		18,687	378,796			
Iowa	6,092,050		780,337	8,192,789	14,804		
Kansas	350,858		252,080		434,323		
Kentucky	18,680			761			
Maryland	52,766						
Michigan	1,992,395	297,942	701,568	6,862,321			
Minnesota	3,392,488		540,038	39,364,563			
Missouri	236,285				30,855		7,520
Nebraska	2,224,250	4,105	1,349,871	908,375	41,954		20,359 New
Jersey	29,916						
New Mexico						100,784	
New York	814,896		146,807	1,214,035			
North Dakota				3,096,683			
Ohio	837,925		52,334	3,106,472			
Pennsylvania	566,566		122,318	81,934			

S. Dakota	1,202,614	48,770	334,928	3,748,611	14,232	15,420	58,988
Tennessee	10,065						
Vermont			37,570				
Virginia	153,745						
W. Virginia	37,000		14,285				
Wisconsin	4,171,665	20,064	810,320	8,438,700			
TOTALS	24,813,611	370,881	5,331,165	80,026,961	536,169	116,204	86,866

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Release No. 0113.93

Hank Becker (301) 504-8547

Leslie Parker (202) 720-4026

BIOENGINEERS PERFECTING TECHNIQUES TO MAKE PLANTS RESISTANT TO VIRUSES

WASHINGTON, Feb. 9--Tomorrow's orchids and gladiolus could be protected against some of their worst virus enemies by a new gene now being built by U.S. Department of Agriculture scientists.

"We reversed the coding sequence of a piece of genetic material taken from a plant virus to create an antisense gene," said John Hammond of USDA's Agricultural Research Service.

"We inserted this antisense gene in some experimental tobacco plants and found the gene reversal disarmed invading bean yellow mosaic viruses," he said. "Some of our experimental plants were immune to virus infection in greenhouse tests. Other gene-bearing plants became infected but recovered," said Hammond. He is a plant pathologist at the ARS Florist and Nursery Crops Laboratory in Beltsville, Md.

He said the antisense gene from bean yellow mosaic virus (BYMV) will be a defense against the virus in a whole range of ornamental flowers such as gladiolus and orchids. Also, the gene will protect some of the country's major economic crops such as beans, peas and forage legumes. "Growers will have a chance to increase yields and quality in crops that had been vulnerable to BYMV."

Hammond said antisense technology is a form of genetic engineering where cells are instructed to do the opposite of what one of their genes is telling them to do. Antisense is "not new, but this is the first time it has been used successfully to create virus-resistant plants."

He estimated that the BYMV antisense gene might be ready in two to five years for breeders of floral and other crops to use. He said related viruses infect fruit trees like plum and similar gene reversals should work to save them from these viruses.

"Antisense genes could shorten by years the time needed to breed resistance into crops," he said. Traditional breeding requires growing plants for generations--possibly 15 to 20 years--and screening out the best for resistance.

"Plants with the antisense gene will churn out antisense RNA--genetic material that binds to an invading virus' RNA," he said. "This binding apparently prevents the virus from reproducing itself in the plant." If the virus can't reproduce and spread, then it can't harm the plant.

"Exactly how the antisense gene blocks the activity of the virus is still unknown," Hammond said. But he's working on solving this mystery.

Hammond and plant physiologist Kathryn Kamo and plant geneticist Robert Griesbach have been perfecting the technique for about two years in their laboratory and greenhouse at the Beltsville Agricultural Research Center. They use a desert species of the tobacco plant (*Nicotiana benthamiana*) as a 'lab rat' because it's very susceptible to potyviruses--viruses of a group named for potato virus Y that includes BYMV.

"Potyviruses make up the largest and most important group of crop diseases in the United States, causing an estimated 5- to 20-percent loss each year," said Roger Lawson, research leader of Hammond's lab. "They are especially devastating in the cut-flower industry."

Lawson said these viruses are carried from plant to plant by aphids when the pests feed on leaves and stems. They are also spread during harvesting. "There are no known incidents of their causing any disease in humans and animals."

He said potyviruses currently are controlled by planting only healthy plants, destroying infected plants and using chemicals to control insects that could spread the virus. "But spraying is of limited effectiveness because the pests can transmit the virus before they're killed by the pesticide."

"Virus-resistant crops should lead to lower pesticide use," he said. "The benefits would be lower production costs and less stress to the environment."

For the virus-resistance experiments, Hammond inserted the antisense BYMV into bits of leaf tissue and nurtured the tissue to form about 50 laboratory plantlets from which seed were collected.

When exposed to the virus, one group of seedlings were immune to attack. Two groups became infected with typical mosaic symptoms like discoloration and stunting but soon recovered from the virus. A fourth group remained infected. Each group in several experiments was made up of eight to ten plants.

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Release No. 0114.93

Program Announcement

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, Feb. 9--Acting Under Secretary of Agriculture Charles J. O'Mara today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 8.38 cents per pound;
- medium grain whole kernels, 7.54 cents per pound;
- short grain whole kernels, 7.51 cents per pound;
- broken kernels, 4.19 cents per pound.

Based upon these prevailing world market prices for milled rice, loan deficiency payment rates and gains from repaying price support loans at the world market price level are:

- for long grain, \$1.49 per hundredweight;
- for medium grain, \$1.39 per hundredweight;
- for short grain, \$1.40 per hundredweight.

The prices announced are effective today at 3 p.m. EST. The next scheduled price announcement will be made Feb. 16 at 3 p.m. EST.

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USDA REPORTS ON FOOD STAMP "CASH-OUT" PROJECTS

WASHINGTON, Feb. 10--People who receive their food stamp benefits in checks rather than as food stamps are likely to spend less on food, according to two new reports from the U.S. Department of Agriculture. It is unclear whether the lower spending increases their risk of poorer nutrition, the reports say.

Providing checks instead of food stamps would save administrative costs, the reports add.

The reports evaluate two demonstration projects in 12 counties in Alabama and San Diego, Calif., testing the "cash-out" concept. Food stamp recipients in the test areas received checks for the amount of their food stamp benefits instead of the traditional coupons.

Participants in two other projects--one in Alabama and one in Washington--received their benefits in checks as part of broader welfare reform initiatives in those states. Final reports on the evaluations of those projects will be released later this year.

Andrew P. Hornsby, acting administrator of USDA's Food and Nutrition Service, emphasized that the projects were meant only to test the cash-out concept, and that some important questions remain unanswered.

"This information will contribute to a debate that's gone on for decades about the best way to provide food benefits," Hornsby said, "but it won't end the debate. We don't foresee any big changes based on these reports."

Hornsby said the demonstrations were designed to see whether the substitution of checks for coupons would weaken the link between the food stamp benefit and food consumption; whether it would change program participation, benefits and administrative costs; and how it would affect food retailers.

The answers to the questions about the effects of cash-out on people receiving food stamp benefits were mixed, Hornsby said. Based on results from all four demonstrations:

- There was some reduction in food expenditures for households receiving checks, but the reduction varied from almost nothing to about 20 percent.

- There were modest reductions in the amounts of a small number of nutrients for households receiving cash benefits, generally ranging between zero and 10 percent.

- There was little evidence of any increase in acute food shortages for households receiving cash benefits.

- There was some evidence that money not spent on food was spent on transportation, shelter or medical expenses.

- Most households that received checks preferred them to food stamp coupons.

Hornsby said reports from one of the Alabama demonstrations also showed substantial reductions in administrative costs under a cash-out system.

"The cost of issuing checks in one of the Alabama projects was only about half the cost of issuing coupons," he said.

A second report on the San Diego demonstration project, due later this year, also will look at the effect of cash-out on program participation and food retailers.

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U.S. TO DONATE FEED WHEAT TO RUSSIAN FEDERATION

WASHINGTON, Feb. 10--The United States will donate 125,000 metric tons of feed wheat for use in the Russian Federation, according to Christopher E. Goldthwait, acting general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service.

The National Cooperative Business Association, a private U.S. voluntary organization, will sell the wheat to Russian feed mills for distribution to farmers in the Tver region of the Russian Federation.

The proceeds generated from the \$18.1 million donation will be used to provide food assistance to the needy and to fund development activities in the Russian agricultural sector. Planned projects include technical and training assistance in food processing and distribution systems.

The donation will be made under Section 416(b) of the Agricultural Act of 1949, which authorizes the donation of surplus commodities owned by USDA's Commodity Credit Corporation to developing countries. The program is administered by FAS.

The supply period of the donation is fiscal 1993.

For more information, contact James F. Keefer, FAS, (202) 720-5263.

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PRESCRIPTION FARMING FINE-TUNES FERTILIZER, CHEMICAL USE

WASHINGTON, Feb. 11--Crop yields in a single field can vary as much as 50 percent, depending on the level of nutrients available in the soil at a given spot, says a U.S. Department of Agriculture researcher.

For example, a preliminary analysis of data from the Bill Holmes farm in the Bootheel area of Missouri shows Holmes' 1992 fall corn crop yields ranged from 140 to 215 bushels per acre, according to agricultural engineer Kenneth A. Sudduth.

"Soils vary from point to point within a field," said Sudduth, who has developed soil sensors that detect nutrient differences. "Depending on the variability of soil fertility, for example, different spots in a field could require much more or less fertilizer than the average."

Sudduth, of USDA's Agricultural Research Service, worked with University of Missouri agricultural engineer Steve Borgelt to collect the information on the Holmes farm. They are both based at Columbia, Mo.

Holmes is testing a new idea known as "prescription farming." Farmers usually apply fertilizers and herbicides to a field based on an average of that field's yield history. But with prescription farming, the farmer treats particular areas of the field with only what's needed at that spot.

"It allows farmers to reduce their use of chemical inputs while keeping an eye on yields and profits," Holmes said.

To gather yield information on the Holmes farm, Sudduth and Borgelt used a combine equipped with a grain flow monitor that's sold only in Europe. They had previously tested the monitor on test plots at the Missouri Management Systems Evaluation Area site near Centralia.

Holmes invited the researchers to collect data on his farm for the Missouri Agricultural Water Quality and Precise Application Project, which Holmes began in 1989.

The project includes 40 farmers with 10,500 acres as well as government and university cooperators, including the University of Missouri at Columbia, ARS, the Soil Conservation Service, the Environmental Protection Agency and the Missouri Department of Natural Resources.

A report on the work by Sudduth and Borgelt appears in the latest issue of Agricultural Research, the monthly publication of the Agricultural Research Service.

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Release No. 0120.93

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USDA ANNOUNCES 10 NEW RESOURCE CONSERVATION AND DEVELOPMENT AREAS

WASHINGTON, Feb. 11--Ten new areas in six states and Puerto Rico have joined the U.S. Department of Agriculture's Resource Conservation and Development (RC&D) Program and are now eligible for technical and financial assistance for land conservation, water management, community development and other environmental concerns.

Admission to the program qualifies these localities for assistance that will help them expand economic, cultural and recreational opportunities.

"The idea behind the program is to work locally to improve the quality of life for Americans," said Galen Bridge, acting chief of USDA's Soil Conservation Service--the lead agency for the RC&D Program.

"We look forward to helping the people in these new RC&D areas improve their economies and conserve natural resources," Bridge said.

Local citizens' boards composed of people from the private sector and local government will manage each new RC&D area. They will identify local area problems, plan their solutions and canvas agencies and organizations to help implement and fund their agendas.

The number of currently active RC&D areas now stands at 246.

The 10 new RC&D areas include 55 counties and cover 35,768,000 acres. The table below lists these new areas by state, name and counties covered:

STATE	NAME OF NEW RC&D AREA	COUNTIES INCLUDED
Alabama	Gulf Coast	Baldwin, Escambia, Mobile
Georgia	Seven Rivers	Appling, Atkinson, Bacon, Charlton, Clinch, Coffee, Echols, Jeff Davis, Ware
Missouri	Osage Valley	Bates, Benton, Henry, Hickory, Morgan, St. Clair, Vernon
Missouri	Prairie Rose	Carroll, Chariton, Johnson, Lafayette, Pettis, Ray, Saline
Montana	Northwest Montana	Lake, Lincoln, Sanders

Nebraska	Loup Basin	Howard, Loup, Sherman, Valley, Wheeler
Nebraska	Northeast Nebraska	Antelope, Cedar, Dixon, Knox, Wayne
North Dakota	Upper Dakota	Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, Ward
North Dakota	Williston Basin	Divide, McKenzie, Williams
Puerto Rico	El Atlantico	Atlantico, Caonillas, Culebrinas, Noroeste, Norte Cibuco, Torrecillas

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Release No. 0122.93

Program Announcement

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**USDA ANNOUNCES PREVAILING WORLD MARKET PRICE AND USER MARKETING CERTIFICATE
PAYMENT RATE FOR UPLAND COTTON**

WASHINGTON, Feb. 11--Randy Weber, acting executive vice president of USDA's Commodity Credit Corporation, today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-3.6 and 4.3-4.9, strength 24-25 grams per tex) upland cotton (base quality) and the coarse count adjustment (CCA) in effect from 5:00 p.m. today through 3:59 p.m. Thursday, Feb. 18. The user marketing certificate payment rate announced today is in effect from 12:01 a.m. Friday, Feb. 12, through midnight Thursday, Feb. 18.

The Agricultural Act of 1949, as amended, provides that the AWP may be further adjusted if: (a) the AWP is less than 115 percent of the current crop year loan rate for base quality upland cotton, and (b) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling (M) 1-3/32 inch cotton, C.I.F. northern Europe (USNE price) exceeds the Northern Europe (NE) price. The maximum allowable adjustment is the difference between the USNE price and the NE price.

A further adjustment to this week's calculated AWP may be made in accordance with this provision. The calculated AWP is 89 percent of the 1992 upland cotton base quality loan rate, and the USNE price exceeds the NE price by 4.89 cents per pound. Following are the relevant calculations:

I.	Calculated AWP	46.58 cents per pound
	1992 Base Loan Rate	52.35 cents per pound
	AWP as a Percent of Loan Rate	89
II.	USNE Price	65.15 cents per pound
	NE Price	-60.26 cents per pound
	Maximum Adjustment Allowed	4.89 cents per pound

Based on a consideration of the U.S. share of world exports, the current level of cotton export sales and cotton export shipments, and other relevant data, no further adjustment to this week's calculated AWP will be made.

This week's AWP and coarse count adjustment are determined as follows:

Adjusted World Price

NE Price	60.26
Adjustments:	
Average U.S. spot market location	11.82
SLM 1-1/16 inch cotton	1.55
Average U.S. location	0.31
Sum of Adjustments	- 13.68
Calculated AWP	46.58
Further AWP adjustment	- 0
ADJUSTED WORLD PRICE	46.58 cents/lb.

Coarse Count Adjustment

NE Price	60.26
NE Coarse Count Price	- 55.27
	4.99
Adjustment to SLM 1-1/32 inch cotton	- 3.95
COARSE COUNT ADJUSTMENT.....	1.04 cents/lb.

Because the AWP is below the 1991 and 1992 base quality loan rates of 50.77 and 52.35 cents per pound, respectively, the loan repayment rate during this period is equal to the AWP, adjusted for the specific quality and location plus applicable interest and storage charges. The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

Because the AWP is below the 1992-crop loan rate, cash loan deficiency payments will be paid to eligible producers who agree to forgo obtaining a price support loan with respect to the 1992 crop. The payment rate is equal to the difference between the loan rate and the AWP. Producers are allowed to obtain a loan deficiency payment on a bale-by-bale basis.

The USNE price has exceeded the NE price by more than 1.25 cents per pound for four consecutive weeks and the AWP has not exceeded 130 percent of the 1992 crop year base quality loan rate in any week of the 4-week period. As a result, the user marketing certificate payment rate is 3.64 cents per pound. This rate is applicable for bales opened by domestic users and for cotton contracts entered into by exporters for delivery prior to September 30, 1993. Relevant data used in determining the user marketing certificate payment rate are summarized below:

Week	For the Friday through Thursday Period Ending	USNE Price	NE Price	USNE Minus NE	User Certificate Payment Rate 1/
			cents per pound		
1	Jan. 21, 1993	63.45	58.01	5.44	4.19
2	Jan. 28, 1993	63.15	58.68	4.47	3.22
3	Feb. 4, 1993	61.95	58.73	3.22	1.97
4	Feb. 11, 1993	65.15	60.26	4.89	3.64

1/ USNE price minus NE price minus 1.25 cents.

Next week's AWP, CCA and user marketing certificate payment rate will be announced on Thursday, Feb. 18.



USDA AUTOMATES EXPORT CERTIFICATION INFORMATION

WASHINGTON, Feb. 12--The U.S. Department of Agriculture has a new computer program that makes the latest information about other countries' plant health requirements readily available to certifying officials.

USDA's Animal and Plant Health Inspection Service began using "EXCERPT," a centralized database that stores summaries of requirements for U.S. commodities for 42 countries, on Feb. 1.

"The database will make it easier for us to advise would-be exporters accurately and quickly, and to certify their agricultural commodities for export," said B. Glen Lee, APHIS deputy administrator.

The countries now in the system receive the majority of U.S. exports. Eventually the database will have the requirements for nearly every country where agricultural commodities are exported.

"Certifying officials have had a hard time keeping track of the ever-changing import requirements," Lee said.

Using this system, certifying officials can find out if a commodity is eligible for export or verify if it is on the endangered species list. They can retrieve information from summaries and download "additional declarations" to a personal computer file as well. Additional declarations are statements required by some countries which state that the commodity is free of a specific pest.

The system also can identify ports under the Convention on International Trade in Endangered Species (CITES). These ports are authorized to certify endangered plants for export. For example, any plant in the cactus family is considered endangered. Cactus can be certified for export in San Francisco because it is a CITES port.

EXCERPT will be implemented in phases, the first phase ending March 31 with about 40 APHIS and state offices receiving training. After the first phase, about 25 sites per month will receive training and begin operations.

The system was developed by Purdue University under a co-operative agreement with APHIS. The database is located at the Center for Environmental and Regulatory Information Systems at the university.



USDA ADVISES PRODUCERS OF DEADLINE FOR SCRAPIE INDEMNITY

WASHINGTON, Feb. 12--The deadline for sheep and goat producers to apply for scrapie indemnity from the U.S. Department of Agriculture is July 7.

"The number of indemnity applications received so far has not reflected the number of possibly infected or exposed flocks," said Billy G. Johnson, deputy administrator of veterinary services in USDA's Animal and Plant Health Inspection Service. "As many as 200 sheep and goat flocks in the United States may currently be infected."

There is no treatment or vaccine for scrapie. It is a fatal, degenerative central nervous system disease.

"We would like more flock owners to submit scrapie-suspect animals for testing so we can determine how many flocks are infected and help the sheep industry contain this disease," Johnson said.

Scrapie signs in animals vary and can take from two to five years to develop, Johnson said. It is possible that producers may detect a health problem in their flocks but not immediately suspect scrapie. Scrapie can only be diagnosed from post mortem laboratory tests.

"To encourage more extensive testing for scrapie, we also will purchase animals for postmortem diagnostic tests from owners who suspect that their flocks may have been exposed or infected with this infectious disease," Johnson said.

Owners who wish to test an animal and, if scrapie is diagnosed, apply for indemnity for the flock must meet the July 7 deadline for application.

On Jan. 8, APHIS changed its scrapie indemnity payment plan, lowering the amount of indemnity paid but expanding the criteria for owners to qualify for a one-time payment. APHIS will pay up to \$150 for each registered sheep or goat and \$50 for all others.

Sheep or goat owners interested in applying for indemnification should contact the APHIS area-veterinarian-in-charge for their state, Johnson said.

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Release No. 0125.93

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USDA PROPOSES REVISING TRANSIT REGULATIONS FOR FRUIT AND VEGETABLES

WASHINGTON, Feb. 12--The U.S. Department of Agriculture is proposing to allow prohibited fruit and vegetables from Hawaii, Puerto Rico and the U.S. Virgin Islands to be shipped through selected continental U.S. ports on their way to foreign destinations.

"Under the proposal, USDA's Animal and Plant Health Inspection Service would require that fruits and vegetables transiting the continental United States from these islands enter at certain ports staffed by APHIS inspectors and move under specific safeguards within a designated transit corridor to their final destinations," said B. Glen Lee, APHIS deputy administrator.

"The cost of shipping products to these destinations is prohibitive. The proposal would provide growers in Hawaii, Puerto Rico and the U.S. Virgin Islands access to additional cargo routes for fruits and vegetables destined for export to foreign countries," Lee said.

Movement of the produce into or through mainland states that grow fruits and vegetables in climates similar to Hawaii, Puerto Rico and the U.S. Virgin Islands would not be allowed in order to minimize the chance of a pest from one of these shipments becoming introduced.

Before producers could send prohibited fruits and vegetables through continental U.S. ports of entry, they would have to obtain shipping permits. The permits would specify the routing, types of containers, storage and other safeguards that would be required for shipment, as well as identify the commodities authorized.

The new regulations were announced in a final rule that became effective Feb. 5 and were published in the Feb. 11 Federal Register.

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1993-CROP PEANUTS SUPPORT LEVELS, EXPORT EDIBLE SALES POLICY ANNOUNCED

WASHINGTON, Feb. 12--The U.S. Department of Agriculture's Commodity Credit Corporation today announced that the national average support level for 1993 quota peanuts will be \$674.93 per short ton, unchanged from the 1992 crop.

The following provisions were also announced:

--The national average support level for additional peanuts will be \$131.09 per short ton, unchanged from the 1992 crop.

--1993 crop additional peanuts owned or controlled by CCC will be sold for export edible use at no less than \$400 per short ton, unchanged from the 1992 crop.

--The marketing assessment for quota and additional peanuts will be 1 percent of the quota and additional support rates. One-half the assessment will be charged to growers and one-half to first buyers. Growers will be responsible for payment of both the grower and buyer assessment, if they market the peanuts to consumers through wholesale or retail outlets or outside the continental United States.

Extra peanuts are those produced over and above a farm's quota.

The law requires that the national average support level for the 1993 crop of quota peanuts be announced by Feb. 15. It also provides that the average support level shall be equal to the 1992 crop support level plus any increase in the national average cost of peanut production for the preceding year, excluding changes in land cost. The law also provides that, in the event of a reduction in the cost of production, the price support level would remain unchanged.

The national average support rate for 1993-crop quota peanuts remains at the 1992 support level, because it has been determined that the cost of producing 1992-crop peanuts was less than the cost of producing 1991-crop peanuts.

The price support level for additional peanuts must be set at a level which ensures no loss to CCC from the sales or disposal of peanuts. In determining this level, CCC considers the demand for peanut oil and peanut meal, the expected prices for other vegetable oils and protein meals, and the demand for peanuts in foreign markets. The price support levels are subject to quality and other adjustments.



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USDA ESTABLISHES QUARANTINE TO STOP SPREAD OF ORIENTAL FRUIT FLY

WASHINGTON, Feb. 12--The U.S. Department of Agriculture has established a quarantine in San Diego County, Calif., to prevent the spread of Oriental fruit fly, a destructive pest of numerous fruits, nuts, vegetables and berries. The quarantine restricts the interstate movement of regulated articles possibly bearing the pest from the quarantined area.

"Federal, state and county inspectors have found nine Oriental fruit flies since August 1992," said B. Glen Lee, deputy administrator for USDA's Animal and Plant Health Inspection Service. "California officials have already begun an intensive eradication program to preclude the possibility of a serious outbreak."

The interim rule establishing the action became effective Feb. 10 and will be published in the Feb. 16 Federal Register.

Written comments are welcome and will be accepted if they are received on or before April 19. An original and three copies should be sent to Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, Room 804, Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782. The comments should refer to docket number 91-149-4.

Comments received may be inspected at USDA, Room 1141-S, 14th St. and Independence Ave., S.W., Washington, D.C., between 8 a.m. and 4:30 p.m., Monday through Friday, except Holidays.



For further information about this booklet contact Charles Hobbs, editor, News Division, Office of Public Affairs, Room 406-A, U.S Department of Agriculture, Washington, D.C. 20250 or call (202) 720-4026.

